उपाय तथा पडोसी राज्यों/क्षेत्रों से सहायता की व्यवस्था आदि शामिल है।

Problems Created by Enron Company

1423. SHRI O.S. MANIAN:
SHRI R. MARGABANDU:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Enron Company has created some legal and other problems in some States while setting up power plants;

(b) if so, whether Goverment have warned the company and restricted its functions in the country;

(c) whether it is also a fact that the Enron Company is being awarded several contracts in Tamil Nadu by violating the norms set by the Central Government; and

(d) what action Government have taken in the matter to avoid unwarranted legal battles and save huge expenditure from the exchequer?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGOPALACHARI): (a) The Government have not received any intimation about Enron Company having created certain legal and other problems in some states while setting up power plants.

(b) Does not arise.

(c) The Central Government is not aware of any contracts being awarded for power projects, by the State Government of Tamil Nadu to the Enron Company.

(d) Does not arise.

CAG Report on Power Grid Corporation

1424. SHRI*GOVINDRAM MIRI:
SHRI SURESH PACHOURI:
SHRI PARAG CHALIHA:
SHRI O.P. KOHLI:
SHRI GHUFRAN AZAM:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Comptroller and Auditor General has indicted the Power Grid Corporation of India for the import of Emergency Restoration System equipment, as reported in the Hindustan Times dated the 11th February, 1997;

(b) whether it is also a fact that because of over pricing by the vendors, the Power Grid Corporation incurred extra expenditure of 75.18 percent i.e. Rs. 23.81 crores on this import;

(c) whether this expenditure was outside the budgetary outlay ofthe Corporation, as approved by Government; and

(d) what action Government have taken/propose to take against the erring officials?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGOPALACHARI): (a) and (b) A draft audit pnra regarding Purchase of Emergency Restoration Systems has been sent to this Ministry by the Principal Director of Commercial Audit on which the comments of this Ministry have been sought. The comments of this Ministry will be sent to the Principal Director of Commercial Audit. The CAG will finalise the report after taking into consideration the clarifications/comments furnished by this Ministry.

(c) and (d) Do not arise in view of (a) & (b) above.

Procedure to set up Power Projects in the Private Sector

1425. DR. Y. LAKSHMI PRASAD: Will the PRIME MINISTER be pleased to state:

(a) the liberalised procedure to set up power plants in the Private Sector; and

(b) the action taken to privatise the power transmission so far?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VEN-UGOPALACHARI): (a) In the context of paucity of resources in the public

sector for capacity addition for power gcneraton and distribution, a policy has been formulated in 1991 to encourage greater private sector participation in power sector and the policy is revised from time to time to make it more effective. Financial and other important guidelines to encourage private sector participation in power sector are:

i. Private sector companies can set up enterprises to operate either as licensees or as generating companies.

ii. All private companies entering the Electricity Sector will be allowed a debt-equity ratio upto 4:1.

iii. Promoter's contribution should be.at least 11% of the total outlay.

iv. To ensure that private entrepreneurs bring in additio'inaiity of resources to the sector, not less than 60% of the total outlay for the project must come from sources other than Indian Public Financial Institutions.

v. Upto hundred per cent (100%) foreign equity participation can be permitted for projects set by foreign private investors.

vi. The customs duty for import of power equipment has been reduced to 20% and this rate has also been extended to machinery required for modernisation and renovation of power plants.

vii. The excise duty on a large number of Capital goods and machinery in the power sector has been reduced.

viii. Upto 16% return on the foreign equity included in the tariff can be provided in the respective foreign currency.

ix. Fixed cost can be recovered at 68.5% PLF for thermal and at 90% availability for Hydro Plants. Attractive incentives are prescribed for performance beyond this PLF.

x. Tariff can be fixed in deviation of norms stipulated in the March, 1992 tariff notification provided that the per unit tariff does not exceed the per unit tariff worked Out on the basis of the norms.

(b) Indian Electricity Act 1910 & Electricity (Supply) Act, 1948 have been amended through the Electricity Laws (Amendment Ordinance, 1997 promulgated on 24.1.1997 to recognise 'transmission' as an activity distinct from generation and distribution and provide for issue of transmission licenses by the Central and State Governments for inter-state and inter-state transmission of Power respectively. This would facilitate private participation in transmission.

Losses due to power shortage

1426. SHRI VEDPRAKASH P. GOYAL: Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to the newsitem appeared in the "Hindu" dated the 14th December, 1996 to the effect that as per specialised Journal's survey, the country stands to lose Rs. 18,000 crores in current financial year due to power shortage;

(b) if so, the short and long term measure taken by government to bridge the gap of 15% between peak hours and non-peak hours; and

(c) whether Government have considered pump storage system on hydropow-er generation plants as a possible measure in that direction, which will save, both money and tin

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGAPALACHARI): (a) Yes, Sir.

(b) The short-term and long-term measures taken bv the Government to